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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1635)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): This meeting is called to order.

Hello, everyone.

Welcome to meeting number 156 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we begin, I would ask all in-person participants to read the guidelines written on the updated cards on the table. These measures are in place to help prevent audio and feedback incidents and protect the health and safety of all participants, including, and especially, the interpreters. I kindly remind all those in person and on-line that, for the safety of our interpreters, it is very important that your microphone is muted when you are not speaking.

[*Translation*]

Thank you all for your cooperation.

Pursuant to Standing Order 108(3), the committee is resuming consideration of the Auditor General of Canada's Report 8, entitled "Canada Emergency Business Account", from Reports 8 to 12, referred to the committee on Monday, December 2, 2024.

[*English*]

I would like to welcome our witnesses, some of whom are with us in person and some of whom are joining us remotely.

From the Office of the Auditor General, we have Karen Hogan, Auditor General of Canada.

It's nice to see you and members of your team again.

We have Andrew Hayes, deputy auditor general; and Mélanie Cabana, principal.

Thank you all for coming in.

From Export Development Canada, joining us remotely, we have Mairead Lavery, president and chief executive officer.

To you and all of your team members, thank you for making yourselves available today.

We have Mr. Scott Moore, executive vice-president, finance, and chief financial officer; and Todd Winterhalt, senior vice-president, international markets, and head of communications and public affairs.

We'll begin with opening remarks from our two groups of witnesses.

Ms. Hogan, you have the floor, please.

[*Translation*]

Ms. Karen Hogan (Auditor General of Canada, Office of the Auditor General): Thank you, Mr. Chair.

I am pleased to be here today to discuss my report on the Canada Emergency Business Account program, or CEBA, which was tabled in the House of Commons on Monday.

I would like to begin by acknowledging that we are on the traditional unceded territory of the Algonquin Anishinabe people.

I am accompanied today by Andrew Hayes, Deputy Auditor General, and Mélanie Cabana, the principal who was responsible for this audit.

The Canada Emergency Business Account program was put in place during the COVID-19 pandemic to help small Canadian businesses cover expenses they could not defer.

[*English*]

We found that Export Development Canada, EDC, acted quickly to provide \$49.1 billion in loans to help almost 900,000 small businesses across Canada. However, the program was not managed with due regard for value for money.

We found significant weaknesses in EDC's contract management. It relied on a single vendor, Accenture, to deliver the program. The non-competitive contracts awarded to Accenture represented 92% of the total value of \$342 million in contracts related to the CEBA program.

EDC gave too much control to Accenture over key aspects of contracts, such as the scope of work and pricing. EDC failed to exercise basic controls in contract management, such as monitoring whether amounts paid aligned with the work performed. Since on-going program delivery uses Accenture's proprietary IT systems, EDC will have to rely on these non-competitive contracts until at least 2028.

[Translation]

We also found that neither the Department of Finance nor Global Affairs Canada provided effective oversight of value for money. There was an accountability void that resulted in basic program elements, including measuring outcomes, being delayed or not completed. Finance Canada did not challenge EDC's administrative spending, or provide an overall spending limit. As of March 31, 2024, that spending totalled \$853 million.

[English]

While 91% of loans were issued to eligible businesses, we estimated that about \$3.5 billion went to ineligible recipients. I am concerned that EDC only partially agreed with our recommendation that it should carry out additional work to identify all ineligible recipients and recover the amounts involved.

Unlike other COVID-19 programs, CEBA is a loan program, with repayments that will be ongoing for several years, while action on defaulted loans is just beginning. Value for money will be further compromised without better monitoring and improved plans to recover defaulted loans.

[Translation]

This concludes my opening statement.

We would be pleased to answer any questions the committee may have.

• (1640)

The Chair: Thanks to you as well.

[English]

Next, from Export Development Canada, we have Ms. Lavery. I assume it's you. If so, you have the floor for five minutes, or you're welcome to designate anyone on your team.

Thank you.

[Translation]

Ms. Mairead Lavery (President and Chief Executive Officer, Export Development Canada): Thank you, Mr. Chair and members of the committee, for inviting me here today.

[English]

Thank you for the opportunity to contribute to the committee's study of the Auditor General's Report regarding the performance of the Canada emergency business account program. I would like to begin by highlighting a few important notes.

EDC worked collaboratively with the Office of the Auditor General. We accept the recommendations of the audit. We are focused on improving our controls and reporting and have established a clear process to collect on all loans, including amounts owing from ineligible recipients. This process is under way.

For those who may be less familiar, EDC is a Crown corporation that operates under a mandate to support and grow Canada's export trade. We help mitigate risks for thousands of Canadian exporters and investors, as well as for international buyers, through our suite of financing solutions, insurance products, knowledge products and

connection services. As the committee may know, EDC has been consistently profitable throughout its 80-year history.

Before we begin discussing the Government of Canada's emergency business account, I would first like to say EDC understands the importance of taking stock of what worked well and what could have been better. Let's recall that when this program was announced, Canadians were boarding repatriation flights, our borders were closed to non-essential travel, and provinces were declaring states of emergency. Schools, offices and businesses were forced to shutter, and Canada's unemployment rate was on its way to a record high.

On March 27, the Government of Canada announced the creation of the Canada emergency business account program, directing EDC to administer it under the Canada Account. It expanded EDC's mandate so we could work directly with domestic businesses. Through this program, eligible small businesses and not-for-profits were provided up to \$60,000 in partially forgivable loans. For many business owners, those loans helped them keep their lights on, pivot to new ways of doing business or, in some cases, avoid bankruptcy.

Acting as the program administrator for the emergency business account, we had to essentially build a bank within EDC, developing complex infrastructure that did not exist. We created systems capable of funding, tracking and collecting 900,000 loans. We created processes that allowed us to share information with nearly every bank and credit union in the country.

The program began accepting applications on April 9, less than two weeks after the government's announcement. When the federal government announced the program, EDC was already at capacity, supporting customers and delivering other relief programs specifically for Canadian exporters. Undertaking this program required us to mobilize both internal and external resources quickly, so that we could pivot to supporting non-exporting small Canadian businesses and not-for-profits.

These businesses employ 9.7 million people in Canada. We know they form the backbone of the economy, and we know they are often the most vulnerable in times of crisis. We understood that this program was mission-critical, but we would not have been able to deliver on what the government asked of us without specialized, third party support. In the end, over 21 months, we partnered with more than 230 financial institutions to deliver almost 900,000 loans, totalling \$49.1 billion in emergency support, to more than 75% of all Canadian small businesses from coast to coast.

For context, in a typical year, EDC extends about 300 loans. While processing applications and delivering these emergency loans to businesses, we were also adapting and finding solutions to the government's decisions to expand eligibility, increase loan amounts and extend deadlines. With each change, we worked to deliver pandemic relief as quickly and efficiently as possible, and we succeeded at a reasonable cost of approximately \$300 per loan.

Still, there is always an opportunity to improve our practices, especially with a "first of kind" program launched in an unprecedented time, and this audit offers important recommendations for how we can do so. We are working to implement all of the Auditor General's recommendations.

● (1645)

EDC has already identified some similar areas for improvement and is implementing an action plan. We anticipate that a number of improvements will be in place before the end of this year.

Thank you again for inviting us to contribute to your study.

I look forward to the discussion and the opportunity to offer more information on EDC's role.

Thank you.

The Chair: We thank you as well.

We'll begin our first round, which will consist of four members for six minutes each.

Mr. Vis, I understand you'll be leading us off. You have the floor, please.

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): Thank you, Mr. Chair.

Thank you to our witnesses today.

Ms. Lavery, you stated at the end of your testimony that you are currently looking at areas for improvement.

There was \$3.5 billion of taxpayer money improperly distributed to ineligible businesses. Who should be fired for making such a big mistake?

Ms. Mairead Lavery: This program was built in an unprecedented time of the pandemic, and the deliverable was to deliver at speed and to introduce liquidity into the economy for the benefit of small business. Over 900,000 businesses were supported at a time when they were struggling, when they were facing bankruptcy and when they were challenged—in fact, very challenged—not only to support their employees and meet their costs, but also to support their families, given that many of these organizations are entrepreneurs.

Mr. Brad Vis: Thank you.

The Auditor General is here today in person, I might add, and at our meeting this week, the Auditor General confirmed that the pandemic is not an excuse for improper program delivery or operationalization, so again I'll ask who should be fired for wasting \$3.5 billion of taxpayer money. Is it you or is it someone else at EDC who should be held responsible for wasting this much money?

Ms. Mairead Lavery: This was a complex program that provided support to over 900,000 small businesses across Canada. It was provided in an unprecedented time, and it was a very complex program that necessitated a number of changes. The application criteria were changed five times. The eligibility criteria were changed five times. In fact, the actual loan amount was adjusted as well, as was the repayment deadline. This meant that this program was incredibly important.

Mr. Brad Vis: Ms. Lavery, I believe that 91% or 92% of all contracts went to a single third party, Accenture. In other words, the majority of this complex work that was given to EDC to conduct on behalf of Canadians was given to a third party to do.

The Auditor General outlined that you had multiple opportunities to undertake a competitive bidding process to ensure accountability of taxpayer money and that there was value for money, yet on numerous occasions you did not exercise that authority as a CEO to let other companies bid competitively on the work being undertaken on behalf of Canadians. Why not?

Ms. Mairead Lavery: That's correct. We did go with a sole source to Accenture on this program.

The reason for that was, again, to ensure that this program was delivered at speed to provide \$49 billion to small businesses across Canada. That necessitated our moving with a vendor that could provide that support in a very fast time frame and work with more than 233 financial institutions across Canada. We did look at RFPing it and would have desired to RFP that. The number of program changes and the asks of us did not allow that to happen.

Since then, we have changed our processes.

Mr. Brad Vis: Ms. Lavery, there are a lot of Canadians who are struggling right now. The fact that you came to this committee.... You've read the Auditor General's report, and you cannot point out one single person—maybe it's you, or maybe it's someone at Accenture—who should be held accountable for making these decisions.

What's even more distressing is that you are in contract with Accenture until 2028, and Accenture is effectively auditing its own work and conducting further business on behalf of Canadians. Is that appropriate, and is that even in line with the conflict of interest guidelines that EDC is subject to?

● (1650)

Ms. Mairead Lavery: We are in line with our own guidelines with respect to procurement, and I will ask Mr. Moore, our chief financial officer, to describe the contracting process at EDC.

Mr. Scott Moore (Executive Vice-President, Finance and Chief Financial Officer, Export Development Canada): We have a preference for competitive procurement at EDC. In this case, as Ms. Lavery explained, the timing of the original sole-sourcing with Accenture was such that we did not have time, and given all of the different changes in the program over almost a two-year period, we were continuing to work under that arrangement.

As we got into 2021 and looked at the collections phase, which is a very important phase—

Mr. Brad Vis: Mr. Moore, is it not problematic that EDC did not do a better job of ensuring value for money for taxpayer dollars by going through a competitive bidding process?

Are Canadians asking too much when they want value for their money?

Why can't you guys give me a straight answer?

Mr. Scott Moore: It's important to look at what Accenture delivered as part of this program.

As our vendor, they were critical to developing the technology in the process to receive applications from 233 financial institutions. They helped us deliver on an eligibility program. They helped us deliver technology to receive two million documents. They helped us build a loan accounting system to manage over 100,000 loans. We developed a call centre that received 450,000 calls over the life of the program, and we did it for \$300 per loan.

The Chair: Thank you.

That is the time. We're moving now to Mr. Drouin, who is joining us virtually.

[*Translation*]

Mr. Drouin, you have the floor for six minutes.

[*English*]

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

My first question will be for EDC.

Now, of course, we know that it was a sole-sourced contract. My question is, who initiated the conversation? Was it an unsolicited proposal by Accenture? Did similar companies submit unsolicited proposals to offer similar services, as Accenture was doing?

It's just so I understand the relationship between EDC and Accenture. Was Accenture already a service provider with EDC, and is that why you chose Accenture right away?

Ms. Mairead Lavery: Accenture was an existing service provider for which EDC had run an RFP process back in 2017. They were very familiar with the processes and systems at EDC. Given the speed and efficiency with which this program was established and needed to be available to distribute the funds to the small businesses that were facing bankruptcy and an inability to pay their bills, we went with someone who, we felt, could deliver that in a timely manner.

As well, they had significant financial service experience in working with Canadian financial institutions. This program ulti-

mately resulted in agreements with 233 financial institutions right across Canada, and that experience was invaluable.

Mr. Francis Drouin: Yes, I'm not going to be the MP who's going to give you heat because you chose to sole-source. I've had 10 years' experience in the private sector, working with IT firms, and the saying in Ottawa was always, "There's no such thing as a three-month government sale."

I know that you guys were in a hurry, and we were all getting pressure back home, once the announcement was made, to get this going. However, where I do have some issues, and I think the Auditor General is right, is with billing practices. Are there any plans for EDC to recoup some of those costs that were.... For instance, we're looking at call centres that were billing for hours that were over the actual opening hours of those said call centres. Now that EDC knows the Auditor General has done a report, are you guys looking at this?

Regardless of what the contract said, I'm assuming that EDC would want to recoup some of those costs, if a centre, for whatever reason, overbilled. Are there any plans within EDC to recoup some of those costs?

Ms. Mairead Lavery: I will pass this to Mr. Moore to explain the contracting process, as well as the controls we have to ensure that we paid only for services received.

● (1655)

Mr. Scott Moore: Thank you.

The Auditor General did identify opportunities for us to improve our controls in and around billing and contracting, and we have agreed to implement those recommendations. I wanted to focus on the controls that EDC did have in place, so again we'll go back to the time we were at during the pandemic.

We were very focused on outcomes as opposed to the individual activities: How do we make sure that we get \$49 billion into the hands of 900,000 small businesses in Canada as soon as possible? In terms of what we were doing, we were focused on making sure those outcomes were being delivered by our vendor. That was through the form of daily huddles. It was through meetings that were happening every single day to ensure they were actually delivering what we needed. At the disbursement phase, it was to get money out the door and to do eligibility, and then later in the program it was building the collections ecosystem.

We did review the invoices that were received. We certainly have an opportunity around documentation and around the more detailed tracking. We have made improvements in that area over time. In 2023, we added all of the time sheets into our accounts payable system that all of our approvers, me included, have access to. We've more recently added attestations around the work performed. We've more recently added all of the metrics in and around the call centre.

Specifically to your question on the call centre, it wasn't actually an overbilling issue. It was a documentation or tracking issue. A number of those resources were working on collections processes and not on the call centre, so it wasn't a question of actually billing for more hours than they worked. It was the type of work that they were doing while they were ensuring we had coverage for a call centre that needed to be available to handle questions that we continued to receive and that we do continue to receive from loanholders.

Mr. Francis Drouin: I'm sure that all of you have read the Auditor General's report. I'm going to focus on recommendation 8.24, which is that EDC, along with Finance, should “consider appropriate actions, including legal implications and options to recoup loan forgiveness from ineligible small businesses.” Again, on the recommendation, EDC said, “Partially agreed.” Finance said, “We fully agree.”

What's the rationale for EDC's response in terms of “partially agreed”? Do you not see that from a legal perspective, if you have to recoup some of...? If they default, are you not in a legal position to do so? Or is it because you just don't believe that you have a strong legal case, given the fact that you had approved? You had deemed those eligible small businesses, even though they were ineligible based on the criteria...but you accepted it at that time.

Ms. Mairead Lavery: Yes, just to be clear, we are working to collect all loans in this category of “ineligible”. That is actually under way at the minute.

We agree with the Auditor General on working with Finance Canada to consider next steps. That is a very important point. This is a program that we were directed by Finance Canada to perform, and, as such, we will need policy direction as to how they want to deal with the loan forgiveness. That is what's related to our comment on partially agreed. It was really waiting on direction from the Department of Finance.

[Translation]

The Chair: Thank you, Ms. Lavery.

Ms. Sinclair-Desgagné, you have the floor for six minutes.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Mr. Chair.

I want to thank the members of the Office of the Auditor General for coming to appear before the committee in person.

My first question is for the officials from Export Development Canada. I would like a clear answer. If possible, I would also like the related documents forwarded to the committee.

In paragraph 8.29 of the report, it says: “In addition, EDC told us that it did not have the expertise or infrastructure to deliver a program of this scope [...]”

This is quite significant. Have you mentioned it to the Department of Finance or to Global Affairs Canada?

[English]

Ms. Mairead Lavery: At the time the program was being considered, in March 2020, we indicated that we typically give 300 loans per year. While we didn't know the extent of the program at

that time—that it would reach 900,000 loans—it was certainly of a magnitude that was very different to what EDC does in its day-to-day business. We indicated that it would be very challenging and that we would need to use third party support to deliver.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Thank you, Ms. Lavery.

Was that by email or verbally? How did you come to that important realization that you did not have the expertise or infrastructure to deliver such a program?

If possible, could you forward those emails or notes to the committee?

• (1700)

[English]

Ms. Mairead Lavery: To answer the question, I need to go back to March 2020, when all of us were dealing with the pandemic and had just moved all of our staff to remote work. Everyone was dealing with matters in a very quick way. This was a process whereby there were daily calls, not only between the Department of Finance and EDC, but also with financial institutions to try to develop this program.

The Department of Finance was working on policy, as well as participating in weekly and daily calls as to how this program could be constructed. Many of the discussions were verbal, as there was an effort to set up this program on a timely basis.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I see.

I would tend to think however that for a program involving 900,000 businesses, if you felt that you had neither the expertise nor the ability to offer such small loans to so many businesses, you would have put that in writing. I have to agree though that it is not in any way EDC's business model.

I'm referring to the principle of covering yourself, something public servants are very familiar with. I will not mention the three letters associated with that principle.

We would ask you kindly to look for that information and provide us with the related documents. We would like to see what happened, right from the beginning.

Let us turn now to the 19 contracts awarded to Accenture.

You appeared before the Standing Committee on Public Accounts this past February. At the time, I asked you about Accenture. The English-language press reported that you relied on a single company to deliver work valued at hundreds of millions of dollars, without a competitive process.

You said then that there were 31 contracts, with a total value of \$208 million.

Why did you say that? Now we are talking about 19 contracts with a value of \$313 million. How could you forget \$105 million in the process?

[English]

Ms. Mairead Lavery: Thank you. I will pass the question to Mr. Moore.

Mr. Scott Moore: The \$208 million reference was actually \$209 million. It's the actual spend as opposed to the contract value. I apologize if that was confusing at the time of the February committee. The actual spend, as you see here, is indeed \$209 million with Accenture; the number of contracts at the time was probably just a mistake. I apologize for that.

You have the actual numbers here. In terms of the overall contract value, it is indeed \$313 million, and the spend is indeed \$209 million.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Thank you very much.

Mr. Moore, let's turn to the call centre, which you have talked about in glowing terms.

The call centre received three contracts for a total of \$27 million. You said it received about 450,000 calls, as I remember.

That seems strange because the newspapers reported at the time that MPs were receiving tons of phone calls at their offices. In addition, the Canadian Federation of Independent Business stated that it received tens of thousands of calls related to the CEBA because business people had no one else to turn to.

How can it be that, on the one hand, you said you received a high volume of calls while, on the other, business people could not get through?

People had to call, dozens of times, a number that was not working or they simply could not get through.

There are two possibilities: either the tens of thousands of businesses that contacted us are not telling the truth, even though they always say the same thing, or your version does not represent what really happened.

Did anyone check the number and the quality of the calls reported to you?

[English]

Ms. Mairead Lavery: Perhaps I will take that question, just to describe the call centre process and how that actually worked.

When we first established the call centre, it was in response to an increasing number of calls from potential loanholders—in fact, all the applicants to the process. The number of calls far exceeded what we anticipated at that stage, and that necessitated our continuing to add resources to the call centre to be able to respond to it. We were monitoring a statistic which was [*Technical difficulty—Editor*]. We actually had to stop taking calls directly, because, to your point, people were not able to get through directly on the line. We

moved to a callback model, and we were monitoring the number of calls in that queue. People did receive a call. It was not when they called in, because they were called back. Their call was returned.

At the peak of the activity in the call centre, over 22,000 businesses were in the queue for a callback. It was a very significant effort and at a very stressful time for these businesses. We had instances where businesses were calling in and suggesting that their only path forward was in fact a suicide option. We had businesses that were certainly looking at bankruptcy and were really struggling, so we put more resources to continue trying to address the needs of those businesses and worked very closely with organizations like CFIB, who were hearing that from their members.

• (1705)

[Translation]

The Chair: Do you have another question, Ms. Sinclair-Desgagné?

Okay. I see you do not.

[English]

Mr. Cannings, you have the floor for six minutes, please.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

Thank you to all the witnesses for being here again today.

Thank you, Ms. Hogan.

I know that we've now questioned you twice—once on Monday, and now you're here again—so thank you for that.

I'm going to ask you a question off the top that I know I asked on Monday, but just for the purposes of this study, I'd like to get it on the record. One of your mandates is to make sure we're getting value for money when we use taxpayers' money in Canada. Here, we have a program where it seemed that it worked very well in getting the money out the door and helping these businesses. I think most of your criticism has come from how we're trying to recover that money. Also, then, there are some issues around contracts, which I'll get to.

One thing I was hearing from businesses—and we just heard from Ms. Lavery about the panic and the desperation in a lot of these businesses—is that they needed more time to repay these loans. Initially, I think, the deadline was the end of 2022. There was an extension made to 2023, but even then I was getting a lot of concern.

Did you look at anything that would model the benefits to Canada, to the government, of adding another year's extension to make sure that we didn't bankrupt thousands of businesses and that we'd be able to recover that money? Did you look at that at all or were you just looking at the mechanics, the audit of the books, as we see?

Ms. Karen Hogan: I agree with your summary that what was done was done well. It was very quick to get billions of dollars of loans to almost 900,000 businesses. It's the how it was done where better efficiency could have been achieved to have better value for money.

To your question, did we look to determine if extensions would have made a difference? No, we didn't. It's a policy question as to when the loans were going to have to be repaid.

We did try to figure out, though, as we did in some of the other COVID relief programs, if this was tied to anything to show that it matched health restrictions and so on, but this program was of such a broad, general nature. It wasn't linked to health measures. It wasn't to focus in on an industry. It was a really broad application to help support small businesses.

However, small businesses also had the ability to access rent relief and wage subsidies in addition to the Canada emergency business account, so it was impossible for us to separate whether one program would have made a difference. It was probably a combination.

It's likely that the businesses that needed it the most are the businesses that had to refinance in the end. It is possible as well that many businesses that applied for the loan didn't need it and were able to quickly repay it in order to take advantage of the forgiveness. However, how to measure whether they needed it or not is a very difficult thing when you think about what was going on in 2020.

It was too difficult for us. The government hadn't done it, and it was difficult for us to separate how the CEBA program made or broke the success of a small business coming through the pandemic.

• (1710)

Mr. Richard Cannings: I'm going to turn to Ms. Lavery.

You talked about how the government came to you. You said to Finance that this wasn't your normal way of operating and that you worked with big loans to a few people.

I'm wondering if at any time you said this to them: "Why don't you just go to Accenture? That's what we would do. That would take out the middleman." We would have much greater oversight here today if the government had actually done that rather than going through EDC, which is a Crown corporation and has a different relationship to Parliament, here at least.

I'm wondering if at any time you said this: "Why are you involving us? We don't have the capacity. We're going to have to get Accenture to do it all."

Ms. Mairead Lavery: There are two elements to this program. One is the disbursements to the financial institutions that actually distributed the loans to the 900,000 businesses; then there's all the

administration associated with disbursing the loans to the banks and onward to the companies, as well as then processing the applications and building systems of record to ensure we would be able to collect those loans.

The Department of Finance deemed that the vehicle they were going to use to do the distribution to the financial institutions was through Canada Account, and EDC is the administrator of Canada Account, which in the past has been for single transactions that usually fall within areas that EDC has the skills and resources to deliver upon. I believe that's why the Department of Finance chose EDC, which then needed to be supported with the administration thereafter.

The Chair: Thank you very much. That is the time.

You have a few seconds left, Mr. Cannings, but I'll add them to another slot which is a little shorter for you.

We're beginning our second round, which will consist of six members for various times.

Mr. McCauley, you're leading us off for five minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you, Chair.

For our witnesses with EDC, first of all, let me express my disappointment with all of you that on such an important meeting, not one of you could bother to show up in person.

Ms. Lavery, who did you push back to at Finance to state that you did not have the capacity at EDC to administer this program?

Ms. Mairead Lavery: I would like Mr. Winterhalt to describe the government processes—

Mr. Kelly McCauley: I'm not asking for that.

Who did you push back against at Finance to say that you did not have the capacity to administer the program?

Ms. Mairead Lavery: This is a program that was built in a manner that involved a number of departments, as well as external—

Mr. Kelly McCauley: You expressed to Finance that you did not have the capacity to administer the program.

Is that correct?

Ms. Mairead Lavery: We discussed the operational risks that would be associated with EDC and what we would need to do to deliver this program, including the use of third party resources.

Mr. Kelly McCauley: Who did you discuss that with at Finance, please? I've asked four times now.

Ms. Mairead Lavery: That was with Finance officials.

Mr. Kelly McCauley: I didn't ask which department it was.

Who was it, exactly, at Finance, please? Was it the deputy minister, the ADM or the minister?

Ms. Mairead Lavery: This was with Finance officials below the deputy minister level. There were numerous officials from the Department of Finance at that point in time.

Mr. Kelly McCauley: Your memory, obviously, is shaky at the moment. Provide it to us in writing, please.

Did you advise—

The Chair: Wait one second, Mr. McCauley.

Could you provide those names to us in the next couple of weeks? Mr. McCauley has asked for that information four times. The committee will look for that.

Ms. Mairead Lavery: I would be happy to do so.

The Chair: Mr. McCauley, you have the floor for three and a half minutes.

Mr. Kelly McCauley: Thanks.

You mentioned earlier that you advised Finance that you did not have the capacity and would have to seek outside resources, which ended up being Accenture.

Did you advise Finance you would be using Accenture specifically, or just that you would be contracting it out?

Ms. Mairead Lavery: We advised that we would be contracting it out and that it would be a single source, not an RFP.

• (1715)

Mr. Kelly McCauley: You knew already that you were going to sole-source it to Accenture.

Ms. Mairead Lavery: We knew already that we needed to move very quickly to put these funds in the hands of small businesses.

Mr. Kelly McCauley: Ma'am, if I ask a simple yes-or-no question, could you provide a simple yes-or-no answer? I think Canadians and parliamentarians deserve that.

Did you already know Accenture would be the recipient of the sole-source contract? It's a yes-or-no answer.

Ms. Mairead Lavery: Yes.

Mr. Kelly McCauley: Thank you. That's not so tough, is it?

Mr. Winterhalt, in your response to some of the mess of the sole-sourcing with Accenture, the comment was that you're updating your procurement policies in light of the audit. I have to ask you. You sole-sourced to Accenture and allowed a shark of a consulting company to sole-source a contract to themselves, dictating to Canadians how much taxpayers were going to pay and for what services.

Why do you need an audit like this to set up procurement practices that don't turn over the taxpayers' bank to a company like Accenture? How is it not part of your regular daily procurement process? Do you need to have an audit to tell you not to give a wad of cash, sole-sourced, to a company and let them sole-source other work to themselves, dictating to taxpayers how much they are going to charge us?

Mr. Todd Winterhalt (Senior Vice-President, International Markets and Head of Communications and Public Affairs, Ex-

port Development Canada): I'll ask Mr. Moore to speak about our procurement practices and provide some clarity.

Mr. Kelly McCauley: It doesn't sound like you actually have a procurement practice.

Mr. Scott Moore: We do. We have a strong preference for doing RFPs. We only accept—

Mr. Kelly McCauley: Let me stop you right there.

You don't have a practice or a rule to get competitive bids. You just have a preference.

Were you aware that Accenture was going to sole-source and choose themselves for that contract for the added work?

Mr. Scott Moore: The contract you're referring to, for the loan accounting system, was a very complicated implementation. When we went ahead with the—

Mr. Kelly McCauley: I asked you a question. I would ask you to respect that.

Were you aware that Accenture was going to grant the secondary contract, noted by the Auditor General, to themselves?

Mr. Scott Moore: EDC granted the contract. Accenture ran a market scan and identified 24 companies.

Mr. Kelly McCauley: Were you aware that Accenture identified themselves as the people to give the money to?

Mr. Scott Moore: Accenture identified 24 options. There was one Canadian option, one European option and one Brazilian option. We were quite disappointed when the Canadian option pulled out of the process. We had a European option. We had a Brazilian—

Mr. Kelly McCauley: Were you aware that Accenture was sole-sourcing a contract to itself?

Mr. Scott Moore: We were aware that one of the options had recently been acquired by Accenture, yes. We did our analysis and—

Mr. Kelly McCauley: Did it not set off alarm bells?

Honestly, I'm trying to grasp this. In what world would you not be setting your hair on fire over Accenture taking taxpayers' money and saying, "We're going to hire ourselves for this other work, but don't worry. We'll let you know what the fair price is that we're going to charge ourselves to charge the taxpayers."

How could this have happened?

A voice: Go ahead, Mr. Moore.

Mr. Scott Moore: EDC made the final decision to go with the option that was presented to us. It was the lower-cost and lower-execution risk among the choices that were available to us for getting a loan accounting system built and ready in six months. That was the timing we had at that time.

The Chair: Thank you very much.

Up next is Ms. Bradford.

You have the floor for five minutes.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses today.

I have some questions for the Auditor General.

Thank you for your work on this report. The recommendations you bring forward are quite useful, but I'd like to focus on the context in which the CEBA program was developed.

You note that the government was able to quickly deliver loans to small businesses, but I read few mentions of the fact that the program was developed during the pandemic.

Could you expand on how difficult it would have been to develop and launch a program of this scale less than two weeks after the country was locked down?

Ms. Karen Hogan: We include several mentions in our audit report that it was in the context of the pandemic. Like other COVID programs that were launched, this was done with record speed. Putting up a program of such magnitude was very quick when you think that 900,000 businesses, for the most part, in less than 28 days, received the funds they needed.

As I mentioned earlier, it wasn't the "what was done". That was well done. It was the "how it was done". I recognize that, at the start of the pandemic, it made sense to find a vendor, because EDC needed surge capacity to do this. It made sense to go with a vendor you knew. However, that doesn't mean you continue to rely on that vendor and don't move away from hourly contracts to a fixed price. We saw movement to a fixed price only in 2024. Three years down the line, you should have had time to run some competitive processes. However, I recognize—we even acknowledge it in the report—that, throughout all of this, there were delays in receiving decisions on the policy front, because this program was transitioning a lot.

It is still the responsibility of EDC, as the Crown delivering the program, to try to always achieve best value for money. That can be challenging. "Is that really the right price? Can we get a better price? Can we go to a fixed price versus hourly?" Certain things, I think, could have been done to improve the value for money as this went along.

• (1720)

Ms. Valerie Bradford: Do you believe it would have been possible to have a competitive contract take place to meet the requirements of businesses in 2020, during the COVID pandemic?

Ms. Karen Hogan: That's a difficult question to answer, because there was so much going on in 2020. I think everyone forgets the level of uncertainty. No one knew how long this pandemic was going to last.

However, we have shown in other COVID reports how, after the initial contract, there were opportunities to do quick competitive contracts, sometimes at 10 days and sometimes with a small group of vendors. You just have to find the time and the ability to do that.

I acknowledge that, at the beginning, directing a contract to someone you knew made sense. What you do after a bit of time.... That's where you could have shown better value for money.

Ms. Valerie Bradford: Do you believe the program would have been a better value for cost if it had been administered within the public service, and would that account for added costs such as benefits, pensions, equipment and other accrued costs?

Ms. Karen Hogan: There are so many costs when you try to look at a full-time equivalent employee versus a vendor, so it's a very difficult comparison to give. I think that, in 2020, the public service was doing so much for Canadians. They were delivering CERB. They were trying to set up queues. There was a lot going on. Again, I believe it was a good choice to find a vendor to help support that.

It was the continued reliance and poor contract management controls that I question regarding the value for money the government received.

Ms. Valerie Bradford: How large a staff would be needed to administer the scale of a massive program like CEBA? Do you have any guesses?

Ms. Karen Hogan: I don't know. That's a very tough question for me to answer. I don't know how many people throughout Accenture and all of the other vendors and financial institutions might have supported that. Let's remember that 233 financial institutions got the money out into the hands of small businesses, so that's a lot of people.

While I love numbers, it would be very hard for me to add those up and tell you what the right number might be.

Ms. Valerie Bradford: I still today hear from a lot of business owners in my riding about how critical that support was for them and their employees. It seems Stats Canada did a report on business support programs during the pandemic and noted that over 43% of businesses relied solely on CEBA for support during the pandemic.

Given that Canada has had one of the strongest economic recoveries since the pandemic, could you speak to us a bit about this limited analysis of the economic benefits of the program?

Ms. Karen Hogan: As I mentioned earlier, it's hard to tie this program to a specific measure as to why it was happening. There were other programs that were really targeting certain industries. There were programs that matched health restrictions, so the closures of businesses. This was just a general program. For the most part, there was only a salary threshold that you had to fall into.

It's really hard to know whether this program being temporary versus the others being permanent would have made a difference. Every business that signed on here knew that they were going to have to repay something. You knew going into this that somewhere down the line, there was a debt that you would owe back to the government.

The Chair: Thank you. That is your time.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Madam Auditor General, I have a list of questions for you. Since my speaking time is limited, please be brief if possible.

As Mr. Moore said, a third party, Accenture, conducted a market study to determine who could best do the work. Accenture then suggested their own company to carry out the work.

Would you say that is consistent with the government's usual procurement processes?

• (1725)

Ms. Karen Hogan: As I said before, public servants and the federal government are held to quite a high standard in terms of managing conflicts of interests, whether real or apparent.

They are spending taxpayers' money, so I expect a higher standard in managing conflicts of interest in procurement processes.

Ms. Nathalie Sinclair-Desgagné: Thank you for your answer. I think that should be repeated until certain public servants follow your sound advice.

You said that some taxpayers' money was spent outside Canada. Do you know how much of that money was spent in Brazil in particular?

Ms. Karen Hogan: No, I don't have the details. Right now I am focusing on the contract for the development of the loan accounting software. The contract is in progress.

Ms. Nathalie Sinclair-Desgagné: What is the value of that contract?

Ms. Karen Hogan: The contract is worth \$36 million. The licensing fees are \$7 million.

Ms. Nathalie Sinclair-Desgagné: Okay.

So that is the contract for which Accenture recommended their own business. Furthermore, it assigned that contract to its team in Brazil.

Ms. Karen Hogan: Yes, it was awarded to Accenture, but I think the individuals carrying out the contract are not all based in Canada.

Ms. Nathalie Sinclair-Desgagné: Great, thank you.

Let us recall that EDC proudly stated that the money was staying in Canada. That is quite a contradiction.

Mr. Moore, you heard what the Auditor General said about public servants and Crown corporations. Crown corporations sometimes think they are not part of government, but they actually are.

The Auditor General also indicated that the standards should be quite high. I know you said that you duly noted that, but do you also take responsibility?

I know you were not in your position when some of those contracts were awarded, but is EDC really taking responsibility for getting things back on track?

Honestly, this kind of thing is unacceptable to taxpayers, in Quebec and the rest of Canada.

[*English*]

Mr. Scott Moore: We've agreed with the Auditor General's recommendation in this area. It's not something that we do and not something that we will do going forward. We agree; it's not the way we would do contracting, in this example.

I'd also like to go back to your comment or question around Brazil and give actual numbers. I like numbers also. I'm a CFO.

With the Brazil contract, \$17 million, less than 10% of the total spend with Accenture, is actually Brazil-oriented. If we look at the contract you're referencing, 180 individuals from Accenture were involved in implementing the loan accounting system, of which 50 were Brazil-located. The rest were principally Canadian. The loan accounting system is now live—it went live in time for us to receive information from the financial institutions—and today we're down to 10 individuals who are working on the program from Brazil for change requests and maintenance.

[*Translation*]

The Chair: Thank you.

Mr. Canning, you have the floor for two and a half minutes.

[*English*]

Mr. Richard Cannings: Thank you.

Ms. Hogan, we've been hearing about contracts, especially the initial contract to Accenture that EDC carried out. It seems, from what you said, that EDC gave too much control to the vendor over key aspects of the contracts, such as scope of work and pricing, and failed to exercise basic controls in contract management.

I used to be a consultant and get government contracts. I don't remember ever writing my own contracts. I was always given a contract to sign. I'm wondering how often it happens, from your experience in looking at government work, that basically they say, "Here's a problem. Can you write a contract for yourself and we'll sign it?"

Ms. Karen Hogan: It's not a typical practice that I see when we do work on procurement. However, we have seen it in other pandemic situations, and ArriveCAN would be an example that I could bring up.

• (1730)

Mr. Richard Cannings: I'll just turn, then, to Ms. Lavery or whoever feels they are best able to answer that.

Why was this contract handled in this way? I know you didn't have the capacity to do the whole project, but I would assume that EDC at least has the capacity to write even fairly complicated contracts.

Ms. Mairead Lavery: Mr. Moore can talk to you about our contracting. You are correct. We have that ability and, in fact, ensured that we did provide the terms and conditions. It was the joint work on the scope of what was actually needed to be included that was worked with Accenture.

Mr. Moore, would you like to add something?

Mr. Scott Moore: I would just add that that's, indeed, correct. The actual final pricing was EDC's pricing. The terms were EDC's terms. The contract was ours. Certainly, we did work together with the vendor on the implementation planning, given the scale of the program and the speed at which we were trying to get it done.

Mr. Richard Cannings: Then you didn't think that, say, allowing an hourly basis for the contract was maybe a bit or a lot risky versus some set price.

Mr. Scott Moore: We have a strong preference for deliverables-based contracts, and that is true overall. In this case, the number of changes to the program is an important reminder for all of us. I mean, during the beginning of the program, the application deadline was changed five times. The criteria were changed multiple times. The program was expanded multiple times, so the scope was not clear as we worked our way through, really, the first two years of the program. Fixed deliverables are appropriate in most cases, when the scope is clear. The scope of the work was not clear for a very long period of time, which is why we went with the time-based and materials-based contract, which, again, is not our preference.

As we worked our way later into the program for the collections phase, unfortunately there were a number of changes around collections in terms of what would be required and what the repayment dates would be. That also made it very hard to get to a scope that enabled a deliverables-based contract. The Auditor General has identified that, indeed, now that we have gotten to 2024, with the scope much clearer, we have moved to a deliverables-based contract.

I would also note that we've issued an RFP for some of the services. The call centre and customer service, notably, have gone out to an RFP. We are moving in the direction of the recommendations of the Auditor General, which, again, we acknowledge.

The Chair: Thank you very much.

We'll turn now to Mr. Nater for five minutes, please.

You have the floor.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair.

Thank you to the Office of the Auditor General and the Auditor General for joining us in person, and to the representatives from EDC for joining us virtually.

Mr. Moore, could you inform this committee where the EDC headquarters is located?

Mr. Scott Moore: The EDC headquarters is located in Ottawa.

Mr. John Nater: It's about 450 metres from Parliament Hill, in fact, sir, so it is somewhat disappointing that, considering you personally seem to charge thousands of dollars to show up to your job in Ottawa, you wouldn't do us the courtesy of coming to speak with us in person since this is such an important matter.

Also, of course, Ms. Lavery, you seem to have no problem charging \$18,000 to go to Japan for a couple of days, \$16,000 to go to South Korea and \$19,000 to travel to Australia. However, the lack of courtesy to show up in person to account for this major and damning report is unfortunate.

Ms. Lavery, paragraph 8.52 of the report says that "EDC identified and referred 17 cases of fraud to law enforcement." What was the dollar value of those cases?

Ms. Mairead Lavery: The dollar value of those was just close to \$1 million.

Mr. John Nater: It was \$1 million.

When were those cases referred to law enforcement?

Ms. Mairead Lavery: I don't have that information in front of me. I can provide that to the clerk.

Mr. John Nater: Yes, we would like that referred back to the clerk within an appropriate time.

What follow-up has happened since then? Have there been any criminal charges laid on those matters?

Ms. Mairead Lavery: The RCMP doesn't provide us with details of its follow-up actions, so I'm not aware of what actions may have been taken.

Mr. John Nater: What encounters have you personally had with the RCMP since those matters were referred?

Ms. Mairead Lavery: I've had no encounters with the RCMP.

Mr. John Nater: Are you aware of whether the RCMP has requested any information from EDC since the original referral of this information?

Ms. Mairead Lavery: The RCMP works with EDC by producing production orders on EDC with respect to certain files. We have received production orders, and the information that has been requested has been provided.

● (1735)

Mr. John Nater: Of the ineligible loans to the tune of \$3.5 billion—obviously, we know that those loans were partially forgivable—are you able to provide this committee with how much of that forgivable portion was indeed received by these ineligible recipients and with the efforts EDC has made to collect that forgivable portion from ineligible recipients?

Ms. Mairead Lavery: EDC is in the process of collecting from the ineligible population. We are working very hard on that. We estimate that over \$2 billion has been repaid from the ineligible population. We also agree with the Auditor General's recommendation on working with Finance Canada to consider next steps with respect to the forgiveness that you describe in your question.

Mr. John Nater: Are you not able to provide us with the amount that was the forgivable portion of that amount?

Ms. Mairead Lavery: No, I'm not, with respect to the repayment.

Mr. John Nater: Can you follow up with the committee on that information?

Ms. Mairead Lavery: Yes. We're working with Finance Canada to determine the actions with respect to that population.

Mr. John Nater: The AG report states the following on page 23:

From April to November 2023, our analysis identified some discrepancies in the hours charged on the invoices, primarily that EDC seems to have paid an average of 14 hours per agent per day when the call centre was only open for 9 hours. EDC did not identify these discrepancies at the time of payment.

What was the additional cost of those hours that were paid for time that the call centre wasn't actually open?

Ms. Mairead Lavery: I'll ask Mr. Moore to describe the documentation challenges we had with that.

Mr. Scott Moore: I answered this question earlier. It was a question of documentation as opposed to a billing issue. The individuals in question were covering the call centre. We were continuing to receive calls. They were also working on setting up the collections processes for the future that we are now—

Mr. John Nater: It sounds like GC Strategies was advising on those document orders.

Chair, with the minute I have left, I'd like to move the following motion, that:

Given the Auditor General's Report 8, 2024, on the Canada emergency business account, CEBA, which revealed significant issues regarding the oversight and administration of public funds and concerns related to governance, procurement and risk management, pursuant to Standing Order 108(3)(g), the committee commence a study on this audit and invite the following witnesses in relation to the study:

the Ministers of National Revenue, Finance and International Trade;

Bob Hamilton, commissioner, Canada Revenue Agency;

Chris Forbes, deputy minister of finance;

representatives from Accenture, the firm involved in CEBA administration;

Vivian Abdelmessih, chair of the board of Export Development Canada, EDC;

Mairead Lavery, president and CEO of the EDC executive team; and

Miguel Simard, EDC's senior vice-president and chief legal officer, special risks and CEBA.

I will be moving that motion. I believe it will be, or has been, sent to the clerk in both official languages.

I reserve the right to make a few brief comments.

The Chair: I'll come back to you, Mr. Nater, in just one second.

I will suspend the meeting and make sure this is distributed and everyone has it. Then I'll come back with the speaking list and begin with Mr. Nater.

Just give me just a few minutes. Thank you.

• (1735) _____ (Pause) _____

• (1740)

The Chair: I'll bring this meeting back into session.

The motion as advanced by Mr. Nater, which we will consider, has been sent to all members.

I would ask all the witnesses to just hang tight for a bit. I will take the temperature to see whether this will be done slowly, quickly or with difficulty; you never know. If you could just bear with me, I'll come back to you very, very soon. In the meantime, if you want to get up and stretch your legs, that's no problem. If you could kind of stay in the area, I will try to come back to you in the next 10 to 15 minutes.

The same goes for our team of auditors. If you want to get up and stretch your legs over the next 10 to 15 minutes, that's no problem either.

Mr. Nater, I'll go back to you for remarks on this motion. We'll have a debate and see where it goes.

Mr. John Nater: Thank you, Chair.

I don't plan on making very lengthy remarks. I think the motion is fairly self-explanatory, requesting that seven witnesses, all pertinent to this matter, appear.

The answers we've had so far from the officials from EDC are unacceptable, quite frankly, and fail to account for the seriousness of the concerns that were raised in this report. I do think it is incumbent upon us to hear from certain witnesses and to undertake this study.

I really have nothing further to add. I think the motion is self-explanatory. It's seven witnesses all pertinent to the study at hand.

I'll leave it there, Chair. I thank you for your time.

The Chair: Mr. Cannings, I am going to Mr. McCauley first, and I'll come to you right after.

Mr. Drouin, I see you as well.

Mr. McCauley, you have the floor.

Thank you.

Mr. Kelly McCauley: Thanks, Chair.

Shockingly, to everyone, I support this motion.

It's very clear that we have a very large problem before us. We have three executives from EDC who, even though they're just blocks away, couldn't even be bothered to show up to defend themselves in person and have been very obvious in their attempts to not answer simple yes-or-no questions. I asked, I think, five times before they were finally pressured to actually respond. It's clear, I believe, that they are hiding some things.

It's very clear that we have a lot of issues.

We've heard directly from EDC that they were aware of Accenture taking advantage of taxpayers, yet they sat idly by and did nothing.

We've seen the government state to the Auditor General that she didn't properly acknowledge how tough times were. We have \$3 billion of taxpayers' money that disappeared into the ether of ineligible grants, yet somehow, the government says we didn't properly acknowledge that COVID was happening. However, we've heard repeatedly from the Auditor General that COVID is not an excuse for ignoring the rules.

We have many people to hear from. We heard repeatedly today that EDC is going to work with Finance, but we have the Department of Finance stating that, "Finance Canada has no legislative requirements to provide oversight of administrative expenditures" on behalf of CEBA. Finance states that "the administration of the CEBA program was delegated to...EDC", and "the Board of Directors...is responsible for providing oversight". This motion calls to have the board show up.

We also have within EDC a very large executive committee. I'll find the exact name for you here. They have a senior vice-president and chief legal officer responsible for CEBA, yet they could not bother to provide that person for us today. That's Miguel Simard. The motion also includes the senior vice-president of EDC, who, apparently, is responsible for CEBA—at least that's what's on their website. That's in the motion as well.

We need to hear from Finance as to why the finance department forced this program onto EDC when EDC was very clear it did not have the capacity. We need to hear from Finance as to why it's saying it bears no responsibility because it's the board of directors that's responsible.

We need to hear more from EDC officials about why they did not push back. If they're doing only 300 loans a year, at an average of one a day, and then, all of a sudden, they're being told to do about 25,000 a day, there's obviously an issue. We need to delve more into why EDC did not push back more and why Finance apparently thought it was a good idea to have EDC—which does only, again, a minimal number of loans—administer 90,000 loans and \$90 billion of Canadian taxpayers' money, when, clearly, they said they did not have the capacity to do so.

I also think we need to hear a lot more from the Auditor General on the differences between what EDC is saying and what the Auditor General's report is saying, as well as between what the Auditor General is saying and what the government is saying.

I'm sorry. I'm losing my voice. I'm suffering from a cold.

I will let it go. I'll finish up there. I reserve the right to speak a bit more once my voice recovers.

Thank you, Chair.

• (1745)

The Chair: Thank you.

Mr. Cannings, you have the floor, please.

Mr. Richard Cannings: I think we all agree, and we agreed at the subcommittee, that this is something we should be studying. As

the subcommittee report says here, we were supposed to be looking at other things and trying to wrap things up in December with the ArriveCAN and SDTC studies before we go rushing off to the next shiny thing. I'm hoping we will do that.

I'd like to see in this motion some more of that structure reflected in terms of timing. We wouldn't have the next meeting on CEBA until the end of January, for instance, when we've finished all of this other stuff. Maybe we should add in our agreement to look at seniors, etc., and how that would work. I'm just a bit concerned that if we vote for this as it stands, we'll be off on yet another tangent and leave all of this other stuff hanging.

As I keep saying, I'm new to this committee. It works in wonderful and mysterious ways. I would rather have something in this motion that says not just that we should do a study on CEBA, but that this is how it's going to fit in with the rest of our work. That's all.

The Chair: Mr. Drouin, you're next. If you permit me, I'll just speak to that. Is that okay, Mr. Drouin?

Mr. Francis Drouin: Yes.

The Chair: Okay.

Mr. Cannings, yes, there is the report from the subcommittee, which I would still like to see passed during this meeting to reflect those priorities. One doesn't necessarily take away the other, because I too would like to fulfill what we agreed to at the subcommittee.

I'll just put that out on the table for everyone to be aware of, that I don't necessarily see this as pushing the recommendation from the subcommittee aside.

Mr. Drouin, you have the floor, please.

Mr. Francis Drouin: Thank you, Mr. Chair.

I don't necessarily disagree with the motion at hand, although there are some faulty names in there. I was thinking that Mr. Nater, given his background in agriculture, would have known that Mr. Forbes was the deputy minister of agriculture at the time. It's a shame that he didn't pick this up in the motion that he presented. I understand that we all have a job to do—

Mr. John Nater: On a point of order, Chair, it's the current deputy minister of finance.

The Chair: Yes. That's all right. That's fair enough.

Mr. John Nater: It doesn't matter who it was at the time. It's the person responsible at the time of—

• (1750)

The Chair: Yes, I suspected that was the case.

Mr. Drouin, you have the floor.

Mr. Francis Drouin: It's very hard to get answers as to what happened somewhere when somebody wasn't there, and that's the point. If we are to move and have a serious study about this issue, then let's get the people who were there as opposed to the ones who were not there, because they'll say that they don't know and that they weren't there at the time. That's my point.

I don't mind having witnesses come before our committee, but let's make sure they will be able to answer the questions that are relevant to this particular study. That's just what I'm trying to do. I'm surprised that we are moving this fast after we had a subcommittee meeting.

I'm at the will of the committee. I would move to adjourn debate.

The Chair: I have a motion to adjourn debate on this motion.

I'll ask the clerk to call the roll, please.

(Motion agreed to: yeas 7; nays 3)

The Chair: Very good. We now go back to the member list, just finishing up our second round.

Witnesses, I think everyone is ready to go here.

Ms. Yip, you have the floor for five minutes, please.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you.

Thank you, witnesses, for your patience while we dealt with some, let's say, housekeeping.

This is directed to Ms. Lavery. I see in the statement you issued yesterday that 9% of loans went to ineligible recipients. Can you give us a bit of a timeline of how and when these recipients were deemed ineligible?

Ms. Mairead Lavery: Thank you.

I will ask Mr. Moore to walk us through the ineligible population.

Mr. Scott Moore: Thank you. There are two distinct populations, and I'd like to make sure both are very clear to the committee.

The first population are those identified by EDC as part of our post-funding validations in the payroll stream. It's \$2.2 billion. The payroll stream, again, was for small businesses with a payroll within the eligible range. At the beginning of the program, the funding was based on attestations from loanholders, similar to other COVID-19 programs. EDC had a post-funding validation process to make sure we identified a population of potential ineligibles. The Auditor General looked at that portion of our validation process and confirmed it was accurate. In terms of this identified population of potential ineligibles, we gave all loanholders an opportunity to correct any anomalies, as we should. The end population was 51,000, or \$2 billion. Of that, \$900 million has been repaid as of today, and \$1.1 billion is subject to active collections. It's important to understand that this population is not eligible for forgiveness. They were notified at the end of 2022 and then received a courtesy reminder at the end of 2023. Again, we continue to collect on the remaining amount from this population.

The second population is potentially ineligible. It's \$1.5 billion. This was based on the work of the Auditor General around the non-

deferrable expense stream for expenses such as rent, insurance, utilities, etc. It's important to note that EDC's validation process prevented \$5.5 billion of ineligible dollars going out the door. Based on the work of the Auditor General, we identified \$10 million, or 200 loanholders who were potentially ineligible. That was then extrapolated to the full population for a potential of \$1.5 billion in ineligibles. That is where the work needs to happen with Finance to analyze this population, which is 135,000 loanholders. About 1,000,000 documents were submitted. Some of the documents could have technical issues, such as a lease without a signature page. We want to give loanholders an opportunity to correct those anomalies—similar to what was done in the payroll stream—before concluding on a final population of ineligibles in this category.

Those are the two very distinct populations.

• (1755)

Ms. Jean Yip: Thank you.

I'd now like to split my time with Ms. Khalid.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thanks very much, Ms. Yip.

Thank you, Chair.

Chair, I take note of the concerns of the opposition, especially with the motion they moved with respect to what programming in this committee looks like.

I think, with respect to what we're discussing today—and what we have been discussing over the past number of weeks, months and perhaps years—I would like to move the following motion:

That, notwithstanding any previous decision of the committee, in relation to the committee's future business, it be agreed that:

1. Any further meetings on Report 8, Canada Emergency Business Account, take place after January 27, 2025—

That's when we come back to the House.

2. One meeting be dedicated to the study of Report 1, ArriveCAN;

3. At the conclusion of the meeting on Report 1, ArriveCAN, no more meetings be conducted to hear from witnesses in relation to Report 1, ArriveCAN;

4. Two meetings be dedicated to the study of Report 6, Sustainable Development Technology Canada, for the purposes of hearing from Zoe Kolbuc, Andrew Noseworthy and the Minister of Innovation, Science, and Industry;

5. At the conclusion of the second meeting on Report 6, no more meetings be conducted to hear from witnesses in relation to Report 6, Sustainable Development Technology Canada;

6. Two meetings be dedicated to Report 11, Programs to Assist Seniors;

7. Two meetings be dedicated to Report 9, Digital Validation of Identity to Access Services;

8. The chair schedule at least two meetings for the consideration of draft reports [for all of the above]; and,

9. Notwithstanding a meeting called pursuant to Standing Order 106(4), no meetings of the committee or subcommittee be held during Parliament's adjournment from December 18, 2024 to January 26, 2025.

The Chair: Thank you.

Have you sent the motion?

Ms. Iqra Khalid: It is on its way right now. The clerk will receive it very shortly.

The Chair: All right.

I will suspend in a second.

Again, for the witnesses, perhaps you can just hang tight. Again, you're welcome to stretch your legs. You'll hear the meeting being gavelled back, but it will probably be about, again, 10 or 15 minutes before I come back to you, if the debate goes on.

Again, I will suspend this meeting until the motion is distributed to members.

• (1755) _____ (Pause) _____

• (1810)

The Chair: I'll bring the meeting back to order.

Ms. Khalid, would you like to speak to your...? No, I'm sorry. I'm getting ahead of myself. Just one second....

Ms. Khalid, unfortunately, I am ruling the motion out of order, not because there's anything wrong with it as a motion itself, but it is not related to the study at hand. Tangentially, you have one line, but it encompasses all kinds of committee business that isn't related to today's meeting.

Do you have a point of order, Ms. Khalid? Go ahead.

Ms. Iqra Khalid: Well, it's not really a point of order, but I will say, Chair, that this is absolutely, 100% related to what this committee is. The Auditor General is here with eight reports. We're not limited to what one report says or not, and a lot of what I have put forward in this motion is to help us and guide us in getting through a lot of these reports.

With that, Chair, I challenge your ruling.

The Chair: All right. The chair is challenged.

Please take the roll call, Clerk.

(Ruling of the chair overturned: nays 6; yeas 4)

The Chair: The motion stands.

I'm going to come back to the witnesses shortly. We'll see where we end up here.

Ms. Khalid, would you like the floor again?

• (1815)

Ms. Iqra Khalid: Thank you very much, Chair.

I realize now, as I read the text of the motion, that I have made a bit of an error in point 4. We've already heard from Mr. Andrew

Noseworthy. I would like to seek unanimous consent from the committee to replace Mr. Noseworthy with Doug McConnachie.

The Chair: Is there unanimous consent to swap out Mr. Noseworthy, to remove him from the motion and replace him with Mr. McConnachie?

Mr. Kelly McCauley: No. I'd like to hear from him, actually, so I support your original one.

The Chair: All right. Does anyone disagree with that?

All right. Very good—

Mr. Kelly McCauley: No. I said that I'm not granting UC, because I want to hear from Mr. Noseworthy—

The Chair: The committee has heard from Mr. Noseworthy—

Mr. Kelly McCauley: —and that's what I thought the motion....

The Chair: Okay. Very good.

UC is denied, Ms. Khalid.

You still have the floor, please.

Ms. Iqra Khalid: Thank you, Chair.

Well, I'm sure that my colleagues are welcome to move that motion, should they so please.

I would also like to make an amendment based on conversations with my colleagues on this motion.

The Chair: You cannot amend your own motion.

Ms. Iqra Khalid: I can't amend my own motion?

Jean, put up your hand.

Some hon. members: Oh, oh!

The Chair: Thank you, but you're on the list.

Ms. Khalid, you have the floor.

Ms. Iqra Khalid: Thank you very much, Chair.

As I said earlier, I think it is important for us to have a very clear understanding of how we are going to move forward with the very important reports of the Auditor General, but then also to discuss what is pending within the public accounts committee, which is what point 8 in my motion also deals with.

I'm hoping for the support of all my colleagues on this and look forward to getting some really important work done and helping to support the Auditor General and our Parliament in what has been produced before us and in what we hear from stakeholders and from experts on these very important issues.

Thanks, Chair.

The Chair: Very good.

Mr. Nater, you have the floor, please.

Mr. John Nater: Thank you—

[Translation]

The Chair: Ms. Sinclair-Desgagné will be next.

[English]

Then we will have Mr. Morantz and then Ms. Yip.

Mr. John Nater: Thank you very much, Mr. Chair.

I will make an amendment towards the end of my comments, but I want to start off with a few observations, first and foremost, on point 9: “Notwithstanding a meeting called pursuant to Standing Order 106(4), no meetings of the committee or subcommittee be held during Parliament's adjournment from December 18, 2024 to January 26, 2025”.

I know that there are a lot of Canadians out there who take one or two days off for Christmas in the holiday season, and some may take a full week off, but it looks like the Liberal Party wants to take a full six weeks off for the holiday season—

Ms. Iqra Khalid: On a point of order, Mr. Chair, we're not taking that time off.

The Chair: That is not a point of order.

Ms. Iqra Khalid: I'm working in my constituency office during the entire time. It is absolutely unfair—

The Chair: Ms. Khalid, this is debate.

Ms. Iqra Khalid: —for the Conservatives to suggest I am going to be away on holiday.

The Chair: Thank you, Ms. Khalid. You are welcome to make these points. I can see where this is going.

I'm going to excuse the witnesses.

You are excused. Thank you very much. We might see you again very soon.

Mr. Nater, it's back to you.

Mr. John Nater: Well, allow me to rephrase it.

Obviously, the Liberals want to take a holiday from accountability.

The Chair: I just want to make sure this includes our friends who joined us virtually from EDC.

You are all excused. I understand you're probably in time zones far away. I don't know whether it's “good night” or “good morning”, but have a good day. Thank you. We appreciate your coming.

Mr. Nater.

Mr. John Nater: Thank you, Chair.

I will rephrase my comment. I didn't want to imply that parliamentarians aren't working in their ridings. Obviously, however, the Liberals want to take a holiday from accountability for the next six weeks.

Ms. Iqra Khalid: I take exception to that again, Chair. Let's just not.... Let's debate the motion.

The Chair: Ms. Khalid, these are not points of order. I appreciate the banter back and forth. I'm happy, of course, to put you down on the list again, but I would ask you to not interrupt speakers.

Mr. Nater.

• (1820)

Mr. John Nater: Thank you, Chair.

Obviously, ducking from accountability seems to be the rule of the day with this motion. Maybe it's a bit too close to home for these Liberals after this meeting, but I digress.

First of all, saying that we shouldn't have any meetings during this time period really handcuffs our committee and prevents us from doing our job. It's preventing us from looking at, for example, CEBA, the first point of the motion, until after January 27, 2025, while also ending and killing other motions. Despite the fact that we actually had a subcommittee meeting to discuss this, here we are with this Liberal guillotine motion, as it's called. It's interesting that when there are hard-hitting studies, the Liberals are eager to dispose of them, yet they come here and try to say all the great things they're doing out of the darkness of this report.

Let's talk about this motion at hand and why it is important that we look at the CEBA motion and not kill it until seven or eight weeks from now. What we heard today, in the limited testimony from our virtual participants from EDC, is, quite frankly, unacceptable. It fails to address the seriousness of this report. It fails to actually provide forthright and clear answers to what I would say are very simple questions. The fact that Mr. McCauley had to ask yes-or-no questions multiple times is, quite frankly, unacceptable.

There's the fact that they accepted responsibility for a program, knowing full well that they didn't have the capacity to do it. There's the fact that hundreds of millions of dollars went to Accenture, despite the fact that Accenture didn't actually deliver the loans. It was the financial institutions that were delivering the loans. You have a breakdown in documentation. I mean, Mr. McCauley and I quipped a bit about GC Strategies being involved in terms of what happened here.

It's interesting; if you read the April 2020 testimony from the minister at the time, Minister Mary Ng, she said, “In fact, the decision-maker on the loan will be that financial institution, the bank or the credit union, to the customers. I would encourage businesses to go to their financial institution to see if they are able to get that support.” However, we have this example where EDC, which was not a loan provider.... I think they said in total they did somewhere in the neighbourhood of 300 loans internationally, but now there was an expectation to do hundreds of thousands of loans.

It was doomed to be a challenge from the start. What we've seen now with the Auditor General's report is that, unfortunately, that has come to fruition. The fact that Accenture was delivered on a sole-source contract, something that our colleague Madame Sinclair-Desgagné highlighted several months ago, is, frankly, unacceptable. It does not comply with the rules.

You know, I hear some people trying to justify it, that we were in a pandemic and things had to happen fast. The Auditor General dispelled that and said very clearly today that perhaps there could have been a case made for the initial contract, but there were off-ramps all the way around where quick procurement requests for proposals could have been undertaken that would not have been sole-source contracts. That's the real challenge.

We had questions. Mr. Morantz helped me with one of my questions. He was quite interested in the forgivable portion of those loans. For some of these loans that were supposed to have a forgivable portion, in some cases it was \$10,000 and in some cases it was \$20,000, depending on which intake it was. Where's that money now? If it wasn't eligible for the loan itself, surely the non-repayable portion would be ineligible as well, yet here we are, not getting those answers.

The big concern I had from today was that I believe 17 cases were found to have been potentially fraudulent. They were referred to the Royal Canadian Mounted Police. Those totalled in the amount of \$1 million. A million dollars went to potentially fraudulent activities. That's significant.

• (1825)

I know there are Canadians out there right now who are really suffering, really trying to pinch their pennies together to make sure that they have something on the dinner table at Christmas this year and have something underneath the tree for their young kids. We see sky-high food bank use, yet we have an example here of \$1 million of financing just going out to potentially fraudulent activities.

That's just the fraudulent side of things for those who are ineligible, with over \$3.5 billion. No normal Canadian, no average Canadian, will ever see \$3.5 billion in their bank account, yet that's the amount that has been taken out the door by ineligible payments. I think it's highly unacceptable.

There is the situation with Finance Canada and the Minister of Finance, we assume, because the Minister of Finance is accountable for everything within the department, through the deputy minister, who is currently Mr. Forbes. He is the person under the Financial Administration Act who is responsible. That's just to respond to the earlier comment from the previous motion, on which debate has now been adjourned. It is the current accounting officer, the deputy minister, who is subject to accountability to this very committee.

The fact that they were told to deliver this program despite the fact that they did not have the capability or the capacity to do so, was, frankly, unacceptable. If you look on the Export Development Canada website, it says, "As international risk experts, we help Canadian companies to navigate, manage and take on risk to support their growth beyond Canada's borders."

Their work is not in loans. They are not a lending agency to domestic Canadian businesses. To go from talking about, potentially, 300 loans to, I believe, talking about, potentially, 900,000.... It simply boggles the mind that this was something that Finance Canada allowed, even forced upon them, and that EDC actually accepted it. They actually had to have a change in their mandate to even be allowed to do this work to begin with.

The fact that this was actually setting off alarm bells on day one is just, frankly, astonishing. EDC as a corporation has really failed the litmus test of basic accountability standards. The Auditor General made it very clear, and I'm going to quote a very brief sentence. She wrote this on page 19: "Basic cost controls were missing in EDC's management of CEBA contracts".

They didn't know what they were doing. They didn't have even the most basic cost controls on these contracts, but they allowed it just to go without being accountable. It's truly astonishing. Again, hundreds of millions went to Accenture, which then awarded another contract to its own subsidiary.

It just gets worse. You would have thought that the ArriveCAN study was bad, but this one is even worse. Again, we have a government that tries to explain it away. I heard one Liberal MP say that it's not so bad because 91% of businesses were eligible. Yes, but 9%, representing \$3.5 billion, were not. That's the thing the Liberals don't understand. That is a boatload of money that is hard to come by in the current economic climate.

I found a lot of things disappointing about the witness testimonies coming to us by Zoom, despite the fact that their head office is 450 metres from this very building, but I digress on that point. I really was disappointed that they failed to take accountability. There were no admissions that they failed. There were no admissions that they had made mistakes or that they had failed in their basic fundamental principles to protect taxpayers' dollars. They really didn't do that. I shouldn't just focus on EDC, because it's not the only one that failed. Finance is equally, if not more, culpable in this case.

• (1830)

The Auditor General pointed out pretty clearly in 8.42 of the report that, "there were very different interpretations amongst the departments regarding their responsibilities and accountabilities". She went on to say, "no department took the lead to implement basic program elements." It seems like each of the departments experienced this program differently. No one is accountable. No one was taking the lead. No one is taking accountability for how this program unfolded.

When we look at how this could have been better managed, we really have to question why this was even allowed. This was simply unacceptable.

Chair, I foreshadowed that I would make a small amendment to this. I move, in the first point, where it says, “Any further meetings on Report 8, Canada Emergency Business Account, take place after January 27, 2025”, that “January 27, 2025” be replaced with “December 5, 2024”. I think that's a common sense amendment. Hopefully, it will be acceptable.

The Chair: I'm sorry. Give me just one second. Hold on. I thought you were going to take longer than that. I'm going to pull up the motion. I want to make sure I understand it.

This is in point 1. Oh, I see. After December...

Mr. John Nater: Instead of January 27, 2025, it would be December 5, 2024.

The Chair: Okay. All right.

We have an amendment on the floor to point 1.

Mr. Kelly McCauley: Can you clarify the amendment please?

The Chair: Instead of, “Any further meetings on Report 8, Canada Emergency Business Account, take place after January 27, 2025”, the amendment would replace the date with “December 5, 2024”.

You can speak to that if you like.

I have Madame Sinclair-Desgagné, who wishes to speak to the amendment.

[*Translation*]

Once again, Ms. Sinclair-Desgagné, the date would be changed from January 27, 2025 to December 5, 2024.

[*English*]

Just for everyone, I'm starting a new list for the amendment. I have the original list for...

Okay. Very good.

[*Translation*]

Go ahead, Ms. Sinclair-Desgagné.

Ms. Nathalie Sinclair-Desgagné: My points will be quite clear and succinct, I hope.

I think several aspects of the motion are consistent with what the subcommittee decided, that is, to conclude the study on the Arrive-Can app and the study on SDTC, and to proceed with the study on the CEBA.

First, I did not have the chance to speak to the previous motion regarding the CEBA, but since that is the first item, we need to conduct a real study on the CEBA. The Auditor General's report is in fact quite scathing when it comes to EDC's management and the hundred of millions of dollars that flowed to Accenture, once again, for what specific deliverables we do not know.

I think it is our duty as parliamentarians to do the work as quickly as possible, but we also have to remember our families. We also have to consider requests from our constituents during the parliamentary break. Since the CEBA study isn't urgent, I would be agreeable to keeping the first item as it is written. So I am opposed to Mr. Nater's proposed amendment.

That being said, as parliamentarians we also have to exercise good judgment in emergencies. So I disagree with item 9 in Ms. Khalid's motion, which would prevent us from holding emergency meetings.

As to the first item, I agree that there will be no meetings on Report 8 before January 27, 2025, but I think the committee has a duty to meet in the event of an emergency.

I'm not sure if it's possible, but I would also like to propose a subamendment.

• (1835)

The Chair: We are listening.

Ms. Nathalie Sinclair-Desgagné: I don't know if it's possible.

The Chair: Neither do we.

Ms. Nathalie Sinclair-Desgagné: Regarding the first item in Ms. Khalid's motion, I would like to revert to January 27, 2025. Is it possible to do that?

The Chair: No, you opposed Mr. Nater's amendment.

Ms. Nathalie Sinclair-Desgagné: In that case, can I propose a subamendment on other items?

The Chair: I don't think so.

The clerk just said no. We both agree on that.

Now we are talking about Mr. Nater's amendment to Ms. Khalid's motion.

Ms. Nathalie Sinclair-Desgagné: I can't propose an amendment to Ms. Khalid's motion?

The Chair: No, you can't because we are talking about Mr. Nater's amendment now.

Once we have finished debating the amendment before you, you may speak again.

Ms. Nathalie Sinclair-Desgagné: I just want to say, theoretically speaking, that I would like to remove items 7 and 9 from Ms. Khalid's motion.

I hope to propose an amendment to that effect.

The Chair: That isn't possible because we are discussing Mr. Nater's amendment.

Ms. Nathalie Sinclair-Desgagné: I am not proposing another amendment; I'm simply saying that is what I would like to do.

The Chair: As usual, we have to debate the amendment before us first. Mr. Nater's amendment would change the date mentioned in item 1 of Ms. Khalid's motion.

Ms. Nathalie Sinclair-Desgagné: Mr. Chair, you do have some leeway, especially with your colleagues. I would also like to benefit from that leeway.

The Chair: You have the leeway to speak.

Ms. Nathalie Sinclair-Desgagné: That's right.

The Chair: Nonetheless, I would rather you not propose any changes to Ms. Khalid's motion.

Ms. Nathalie Sinclair-Desgagné: No, I said I would like items 7 and 9 removed from Ms. Khalid's motion.

The Chair: That's the same thing.

Isn't it?

Ms. Nathalie Sinclair-Desgagné: No, because I am not tabling an amendment. I am expressing a wish. Since it is a wish, it's theoretical.

Once again, I think we should be on the same page with what the subcommittee decided. What the subcommittee decided does not pertain to studying Report 9 of the Auditor General entitled "Digital Validation of Identity to Access Services". I don't think we want to add that right now.

Furthermore, I think item 9 of Ms. Khalid's motion is ill-advised since there could be an emergency during the holiday period. We can't rule that out.

That said, now that I have stated my wishes, I will turn it over to my colleagues.

Thank you.

The Chair: Thank you very much, Ms. Sinclair-Desgagné.

[*English*]

Ms. Khalid, you have the floor on the amendment to the motion.

Ms. Iqra Khalid: Thank you, Chair.

I think, from what has been discussed around the table, that it is quite evident where members stand.

I want to clarify one point Madame Sinclair-Desgagné made with respect to point 9.

The Chair: This is what I was trying to avoid. By introducing point 9, she brought these in. These were wish lists. She will have an opportunity to table that. I'm not going to cut you off, Ms. Khalid, but I'm going to let Madame Sinclair-Desgagné...so you will have to talk it through. We're on the amendment to the motion. As I said, Madame Sinclair-Desgagné will have the floor immediately after we deal with this amendment. She'll be able to propose her motions then.

You have the floor.

Ms. Iqra Khalid: Thank you for that, Chair.

This speaks to the motion. I think the concern raised in the amendment as presented, with respect to the dates, was that we will not be able to have any meetings. However, what point 9 says is that, unless it's a 106(4), no meetings can be called. Yes, emergency meetings can absolutely be called. I would want them to be called on a matter of urgency.

The matters outlined in this motion are important. They should obviously be studied and discussed. What I'm proposing is something all parliamentarians can come together on, regarding a plan.

I don't agree with Mr. Nater's amendment with respect to the dates, because I feel I need to spend a lot of time with my constituency. I want to see my constituents on a regular basis. I barely get to see them on just weekends. This work is important, but it is

not urgent enough for us to take time away from our constituents just so we can come back to this. I think we'll have ample time in the new year, once the House resumes on the 27th. I believe that is the first date the House sits again. We can resume our parliamentary duties when scheduled by the House of Commons.

I don't think we need to make this an urgency to the detriment of our individual and collective constituents.

Thanks, Chair.

• (1840)

The Chair: Thank you very much, Ms. Khalid.

Mr. McCauley, go ahead on the amendment to the motion, which is on the date. You have the floor.

Mr. Kelly McCauley: Thanks, Mr. Chair.

First of all, I agree with the amendment, obviously. I think there are times when we do have to be here.

You know, it's funny. I'm not disparaging my colleagues here at this committee, but we went through exactly this same thing at another committee. We heard stories such as that they're working from their constituencies—that's fine; I do the same—that break weeks are sacrosanct, that they're with their constituents and cannot come, that they can't even virtually attend meetings because it's so important to be with their constituents.

I agree that time with our constituents is very important. However, we actually looked up the calendars of these members, through Facebook and Twitter posts, and it turns out that over a six-week break period when we weren't meeting, the five members had a total of 17 events that they attended.

Frankly, if we cannot take two hours or an hour of our time, regardless of whether it's a break week or a sitting week, to discuss important matters—

Mr. Francis Drouin: I have a point of order, Mr. Chair. I didn't hear correctly. Did Mr. McCauley perform an audit based on Twitter and Facebook posts?

The Chair: That's not, Mr. Drouin—

Mr. Francis Drouin: No, I just want to make sure that I heard properly.

The Chair: Well, you should call IT and have them check your headset then.

Mr. McCauley, you have the floor.

Mr. Francis Drouin: Kelly, I owe you a beer.

Mr. Kelly McCauley: I'm not sure what that was, but thank you for your intervention, Mr. Drouin.

The reality is that, sometimes, things are important and we have to plow through. I, as the chair of another committee, have to fly out to be there in person, because those are our roles. You would have to be here, as well, Chair. That is part of the job of being a chair. That's a sacrifice you have to make. The rest of us on this committee, including me, can sit in our homes and Zoom in for two hours. I do not think that is such a sacrifice, especially when we're looking at \$3 billion of taxpayers' money given out to ineligible applicants.

I'm sorry. I hear a big sigh from the Liberal side. I apologize if they're worried about taxpayers' money being wasted.

We saw the same thing in this committee a couple of years ago, when the Auditor General pointed out \$27 billion stolen from taxpayers through ineligible applicants. We heard from the CRA that they were not interested in tracking down this money. We heard the CRA—despite not putting forward any information of their own—state that the Auditor General was incorrect. In my riding of Edmonton West, we have.... I often speak about it. It's called the Veterans Association Food Bank. It's a food bank that provides food, pet food, diapers and a lot of goods to our veterans, RCMP members on pension and first responders. Now, in the city of Edmonton, which has one of the highest incomes in a country as wealthy as Canada, we have veterans relying on food banks. They went to the government to ask for \$11 million, I think, for a refrigeration system, and they got back zero, yet, somehow, we have \$3 billion to happily give away to people who are ineligible.

Therefore, if I'm asked to spend two hours on a break week to determine how we can stop \$3 billion from going to ineligible people and redirect it to the Veterans Association Food Bank, another food bank or other charitable causes, yes, I will find those two hours to do so. I'm the chair of a committee, like you. I would expect that, for something this important, you will get on the plane yourself, Mr. Chair, and get out here for the two hours and find the time. Members of Parliament are given incredible leeway to set their own schedules. Being able to set two hours aside for something so important.... Regardless of whether it's a break week or a sitting week, it's still a working week. I'm sure every one of us—all 338 in the House—can find those two hours for something so important.

My other concern about this motion as written, and I'm glad my colleague addressed it.... It allows for a 106(4). I was conferring with my colleague, Mr. Nater, who is probably the most learned about Bosc and Gagnon in the House. I often just call it "the big green book". A 106(4) doesn't call a set of meetings, such as the one we're having today on this mega-billion-dollar scandal. It calls a meeting to decide whether there will be a meeting. If we have a 106(4) and gather on a break week, I'm sure the Liberals will find time for that. We bring through a motion to have meetings. Is that then stopped by this motion? We went through this with Phoenix, which, by the way, the Liberals fought against way back in 2016. A 106(4) doesn't set up meetings to look into things. It sets up a meeting to allow for a motion for an investigation. The way I read this motion—not the amendment but the motion itself—is that we can have a 106(4) for something urgent. Again, I'll ask my colleague Mr. Nater to correct me, and perhaps the clerk. If we look at a 106(4), we could come in, have the meeting, put through a motion

to study it, and the Liberals with their NDP colleagues could vote that down.

● (1845)

Having an option for a 106(4) meeting over a break week is basically.... Perhaps I understand the intent. I won't attribute it to malice. It does not allow emergency meetings. It allows an emergency meeting to call a meeting, which would then be voted down by the Liberals and our NDP colleague.

I will support Mr. Nater's amendment. As much as I dislike being here on a break week, I will get on the plane or I will get on Zoom if necessary to look at these important issues.

Whether it is \$3 billion, Finance Canada saying, "We're not responsible; EDC is," or EDC saying, "Well, we'll oversee it with Finance Canada," which we heard today.... This is despite the fact that Finance put in its response to the AG report that it wasn't responsible; the board was responsible. However, EDC said it would work with Finance to recover the money.

I don't think EDC even read the report or the responses, because Finance said it's not responsible for clawing back any money; the EDC board is. EDC is saying, "Well, we'll work together with Finance Canada."

I think we need to get at this as soon as possible to see how we're going to get that money back. Are we leaving it to Accenture to claw the money back?

I find it's the ultimate irony. If you look at the EDC website, it actually states that EDC offers insurance to "Protect your business against the risk of unpaid invoices." Here's EDC offering insurance. It's in the business of protecting businesses against the risk of unpaid invoices, and it cannot look after unpaid invoices; it has to send them out to Accenture.

I'd like to find out why the CRA is not going after this. It goes after student loans. It has all the documentation. I assume it has social insurance numbers to be able to claw back the money from tax returns, like we do with overpayments for EI.

I found this out when I spent a couple of years as an EI appeals chair. Even if the government makes a mistake and tells someone, “Yes, go ahead and fill out the EI form that way,” it’s up to the constituent, the citizen, to ensure that they’re filling it out correctly. Even if EI gives them the wrong information, they’re still accountable. There are 1,800 pages of rules, and they’re still accountable. However, if they make that mistake and EI claws it back, it will go after them by reducing their child benefit and taking it back from tax returns.

We haven’t heard what they’re doing. They’ll do this against an ordinary Canadian who makes a mistake, but here we have fraud. There are only 17 cases. I’d like to find out how many more there are, because it doesn’t sound like they were thorough.

Here we have \$3 billion in ineligible payments, and there’s no talk of sending the CRA after them. There’s no talk of withholding tax returns or sending them to collection agencies. It sounds like they’re waiting for the contract to expire with Accenture.

I think this requires looking after immediately, not waiting. I think in the original amendment there’s a month and a half to look at this. This requires immediate attention.

We saw with the EDC president and the people who showed up today that they couldn’t have less concern about this. They even have a senior vice-president of legal—it’s right on their web page—and CEBA is right there in his job title.

EDC couldn’t be bothered to show up today. I was polite to them. I’m frankly disgusted that these high-level executives could not get

off their butts to walk two or three blocks to be here in person to talk to us about this scandal. This is outrageous. There were billions wasted, and they can’t even be bothered to show up.

They couldn’t even be bothered to send the person responsible for CEBA, who’s listed proudly on their website.

I apologize. I’m like a teenager. My voice is cracking again.

● (1850)

I’m just dumbfounded. We sit here again and again at this committee, for years now, and we hear from the bureaucrats, “We’ll get around to it later.” You then have a Liberal saying, “Well, you know, a year and a half is too quick a time to get a response back.”

Good Lord. At a 7-Eleven, a worker making minimum wage has more accountability for their actions than executives who are making \$200,000 or \$300,000. EDC got bonuses—

Ms. Iqra Khalid: On a point of order, Mr. Chair, I question the relevance. Where’s Mr. McCauley headed? It has nothing to do with the amendment right now.

Mr. Kelly McCauley: I’m happy to address that.

The Chair: Let me interject. We are out of resources. We will be back here on Monday.

Ms. Iqra Khalid: Can we get more resources, Chair?

● (1855)

The Chair: Not at this point.

The meeting is adjourned.

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